

Message Text

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ACTION AF-18

INFO OCT-01 ISO-00 DODE-00 SSO-00 NSCE-00 OMB-01 EB-11

COME-00 TRSE-00 AID-20 ACDA-19 PM-07 NSC-07 SP-03

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O 141453Z JUN 74

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC IMMEDIATE 4522

S E C R E T LAGOS 5338

E.O. 11652: GDS

TAGS: MASS, NI

SUBJECT: REQUEST FOR LOA - C-130H

REF: A. STATE 122756; B. STATE 126460

1. SUMMARY: FMG URGES EXPEDITIOUS FORWARDING OF LETTER OF OFFER FOR SIX C-130H AIRCRAFT. WILL TURN TO OTHER, NON-AMERICAN SOURCES BEFORE DEALING DIRECTLY WITH THE MANUFACTURER.

2. IN MEETING I HAD JUNE 14 WITH MEA DEPUTY PERMANENT SECRETARY DOVE-EDWIN AND MOD PERMANENT SECRETARY DAMCIDA, I DISCUSSED REFTEL A INFO RE PRICE FLUCTUATION AND DELIVERY SCHEDULES. THEY EXPRESSED APPRECIATION FOR EXPLANATION AND, DAMCIDA DOING MOST OF THE TALKING, MADE FOLLOWING EMPHATIC, UNEQUIVOCAL POINTS: (1) IN NO REPEAT NO CIRCUMSTANCE WILL THE FMG DEAL DIRECTLY WITH LOCKHEED. WOULD PREFER, INDEED, TO PURCHASE "A RUSSIAN OR FRENCH-GERMAN" ROUGHLY EQUIVALENT PLANE RATHER THAN BUY DIRECTLY FROM LOCKHEED, COST AND DELIVERY DATES NOTWITHSTANDING. DEFENSE ATTACHE IN NIGERIAN EMBASSY WASHINGTON AND UNNAMED MILITARY OFFICERS IN LAGOS (SEE USDAO REPORT 6871 0058 74, 9 APRIL 74) WORKING HAND IN GLOVE WITH UNNAMED LOCKHEED REPRESENTATIVES TO FORCE FMG BUY DIRECTLY FROM THE COMPANY. THE "HIGHEST LEVEL" OF THE FMG HAS MADE FIRM DECISION THAT THE WORK OF THESE OFFICERS WILL BE FRUSTRATED. FMG

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DISTRUSTS "ANY FIGURE" SECURED DIRECTLY FROM LOCKHEED OR ANY OTHER

COMPANY, BEING CONVINCED THAT THE STIPULATED PRICE WILL ALWAYS INCLUDE A CERTAIN PERCENT FOR UNSCRUPULOUS MIDDLEMEN. (2) NO INFORMATION THAT I RELAYED TODAY WAS NEW. DAMCIDA REPORTED THAT KMG HAS BEEN "BESEIGED BY LOCKHEED AND THEIR COHORTS" TO BUY DIRECTLY FROM THE COMPANY FOR THE VERY REASONS THAT I HAD OUTLINED. AS FOR THE REASONS: (A) THE FMG EXPECTS AND IS PREPARED TO ACCEPT REASONABLE FLUCTUATIONS IN PRICE. ANY COMPANY, SUCH AS LOCKHEED, WHICH STATES A FIXED PRICE BASED ON A DATE OF SIGNING HAS ALREADY INFLATED THE PRICE TO COVER ALL CONTINGENCIES. (B) FMG UNDERSTANDS THAT LETTER OF OFFER PROCEDURE WILL PROBABLY RESULT IN DELAYED DELIVERY OF THE PLANE. "SINCE WE ARE NOT AT WAR AND DON'T EXPECT TO BE, WE CAN AFFORD TO WAIT." HOWEVER, DAMCIDA AND DOVE-EDWIN BOTH DIRECTLY "SPEAKING FOR THE GOVERNMENT," FIND "INCONCEIVABLE" THAT LOCKHEED CAN BEGIN DELIVERY IN LATE 1975 AND THAT THE USAF "WITH ALL OF ITS INFLUENCE" CAN NOT SECURE DELIVERY OF THE SAME PLANE UNTIL THE FIRST HALF OF 1977, "CONCEIVABLY," AS THEY PUT IT, "A DELAY OF EIGHTEEN FULL MONTHS--FROM DECEMBER 1975 UNTIL JUNE 1977." STILL, THEY APPRECIATE THAT USAF MAY HAVE TO "QUEUE UP" TO THE DELIVERY LINE IN BEHALF OF THE FMG, "BUT SURELY NOT WAIT FOR EIGHTEEN MONTHS." (3) SPOKESMEN HOPED THAT THE USG WILL REALIZE THAT THE FMG HAS MADE A "POLITICAL DECISION" TO DIVERSIFY THE SOURCES OF AIRCRAFT. PRESENT SOURCE IS RUSSIAN AND IS SATISFACTORY. SOME MILITARY ELEMENTS OF FMG, INCLUDING SOME OF THE OFFICERS DEALING WITH LOCKHEED, ACTUALLY PREFER TO MAINTAIN THE CURRENT SINGLE SOURCE AND ARE SEEKING WAYS TO PREVAIL, OR ACTUALLY TO REVERSE A DECISION ALREADY MADE. THESE MEN WILL SUCCEED IF THE FMG HAS NO CHOICE EXCEPT TO DEAL DIRECTLY WITH LOCKHEED. (4) GINGERLY DOVE-EDWIN INDICATED THAT MEA HAS "PROBLEMS" WITH NIGERIAN EMBASSY SPOKESMEN, "BOTH MILITARY AND CIVILIAN," IN WASHINGTON. MEA IS ATTEMPTING TO CORRECT THESE PROBLEMS BUT MEANWHILE HOPES "YOUR PEOPLE IN WASHINGTON WILL UNDERSTAND." (5) FINALLY, FMG RENEWS ITS REQUEST FOR THE EXPEDITIOUS FORWARDING OF A LETTER OF OFFER FOR SIX C-130H AIRCRAFT.

3. I CONFINED MY RESPONSE TO PROMISING TO RELAY THEIR COMMENTS TO WASHINGTON AND TO OBSERVING THAT WE OCCASIONALLY FIND IT DIFFICULT TO RECONCILE REPORTS I RECEIVE IN LAGOS WITH THOSE RECEIVED IN WASHINGTON FROM DULY ACCREDITED SPOKESMEN OF THE
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FMG. DOVE-EDWIN SIMPLY REPLIED, "I UNDERSTAND."

4. COMMENT: IN LAGOS WE HAVE NEVER HAD ANY DOUBT ABOUT THE FMG'S PREFERRED METHOD FOR PURCHASING THESE PLANES AND HAVE SO REPORTED. I SHOULD HOPE THAT ANY REMAINING DOUBTS IN WASHINGTON ARE REMOVED BY TODAY'S TOUGH, FORTHRIGHT STATEMENTS. AS WE HAVE SEEN IN SO MANY OTHER AREAS, ESPECIALLY FOREIGN ASSISTANCE, WE ARE NOT CREDIBLE WHEN WE ATTEMPT TO TELL NIGERIANS WHAT "WOULD APPEAR MORE BENEFICIAL

FOR FMG." THEY ARE CONVINCED THAT THEY ALREADY KNOW AND, AS TODAY'S CONVERSATION POINTS UP ONCE MORE, ARE DETERMINED TO PROCEED IN ACCORDANCE WITH THEIR DECISIONS. THE DEPARTMENT'S SPECIAL ATTENTION IS CALLED TO THE SPOKESMEN'S UNUSUAL AND INDEED UNNIGERIAN ADMISSION AND SUSPICION OF HANKY-PANKY BY PRESUMABLY HIGHLY PLACED FMG OFFICIALS, AND TO THEIR REFERENCE TO THE POLITICAL DECISION AS IT AFFECTS PROCUREMENT. FROM LAGOS I CAN SEE ONLY ONE REMAINING PROBLEM, DELIVERY TIME. IF I AM TO EXPLAIN AWAY THE EIGHTEEN-MONTH DIFFERENCE, I SHALL NEED FAR BETTER ARGUMENTATION THAN I COULD FIND TODAY. IF THIS FMS DELAY IS USUAL, AS I GATHER FROM REFTELS IT IS, THEN I SHOULD URGE THAT HIGH-LEVEL CONSIDERATION BE GIVEN TO FINDING SOME WAY TO REDUCE THE PERIOD, FOR THE POLITICAL RAMIFICATIONS OF THIS TRANSACTION MAY OUTWEIGH THE MILITARY AND COMMERCIAL.

5. I RECOGNIZE THE DEPARTMENT'S PROBLEM IN RECEIVING MESSAGES, SUCH AS THE ONE IN REFTEL B, FROM SIXTEENTH STREET, BUT WE NOW HAVE RESPONSIBLE REPUDIATION. I CAN SUGGEST NO MORE THAN LISTEN AND BE WARY.

6. EMBASSY HAS NOT RECEIVED O/I MENTIONED REFTEL A.
REINHARDT

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